

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 956 – HB 845

February 25, 2013

SUMMARY OF ORIGINAL BILL: Authorizes lifetime handgun carry permits for retired members of the United States military with 20 or more years of service or disabled veterans with a permanent and total disability. Requires certain documentation to receive a lifetime permit. Requires lifetime permits to contain the word “indefinite” in lieu of an expiration date. Requires an application processing fee of \$200.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$850,000/FY13-14
Exceeds \$255,000/FY14-15 thru FY16-17

Decrease State Revenue – Exceeds \$500,000/FY17-18
Exceeds \$150,000/FY18-19 thru FY20-21

Increase State Expenditures – Exceeds \$72,100/FY13-14
Exceeds \$21,600/FY14-15 thru FY16-17

Decrease State Expenditures – Exceeds \$30,000/FY17-18
Exceeds \$10,000/FY18-19 and Subsequent Years

Other Fiscal Impact – In addition to the fiscal impact estimated above, there will be a one-time increase in state expenditures of \$39,700 for the Department of Safety to employ a vendor for the purpose of programming and software modifications. Given a required implementation date of July 1, 2013, these one-time costs are likely to occur in FY12-13.

SUMMARY OF AMENDMENT (003681): Adds language to the original bill. Prohibits former members of the military who have been dishonorably discharged from qualifying for the lifetime permit. Requires the Department of Safety to conduct the same criminal history check on an indefinite permit holder every four years as is conducted on regular permit holders.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – Exceeds \$765,000/FY13-14
Exceeds \$212,500/FY14-15 thru FY16-17**

**Decrease State Revenue – Exceeds \$450,000/FY17-18
Exceeds \$125,000/FY18-19 thru FY20-21**

**Increase State Expenditures – Exceeds \$58,000/FY13-14
Exceeds \$18,000/FY14-15 thru FY16-17**

**Decrease State Expenditures – Exceeds \$27,000/FY17-18
Exceeds \$8,000/FY18-19 and Subsequent Years**

Other Fiscal Impact – In addition to the fiscal impact estimated above, there will be a one-time increase in state expenditures of \$39,700 for the Department of Safety to employ a vendor for the purpose of programming and software modifications. Given a required implementation date of July 1, 2013, these one-time costs are likely to occur in FY12-13.

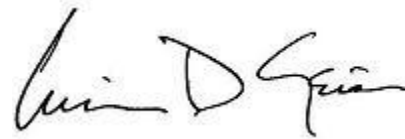
Assumptions for the bill as amended:

- According to the U.S. Department of Veteran's Affairs, in 2011, there were 533,803 veterans residing in the state. According to the U.S. Census Bureau, there were 51,778 retired veterans in Tennessee in 2010. The precise number of disabled veterans in Tennessee with a permanent total disability is unknown.
- Based on information provided by the Department of Safety (DOS) and information from the U.S. Census Bureau, a minimum of 9,000 veterans will obtain lifetime handgun carry permits within the first year of implementation.
- The current fee for a four-year handgun carry permit is \$115; the renewal fee is \$50.
- An increase in each permit fee of \$85.
- A one-time increase in state revenue estimated to exceed \$765,000 (\$85 x 9,000) in FY13-14.
- At least 2,500 lifetime permit applicants annually for the subsequent three years.
- A recurring increase in state revenue estimated to exceed \$212,500 (\$85 x 2,500) in years FY14-15 thru FY16-17.
- In FY17-18 there will be a one-time decrease in state revenue resulting from applicants who received a lifetime permit in FY13-14 who would have otherwise renewed their permit for a fee of \$50.
- A one-time decrease in state revenue exceeding \$450,000 (\$50 x 9,000) in FY17-18.
- In each year, FY18-19 thru FY20-21, the net impact will be a decrease in state revenue exceeding \$125,000 (2,500 applicants x \$50 renewal fee).
- The precise fiscal impact to state revenue beyond FY20-21 cannot be reasonably determined due to multiple unknown factors.

- DOS will require one-time computer programming changes by an outside vendor resulting in a one-time increase in state expenditures of \$39,700 prior to implementing the new lifetime permit.
- Additional printing and postage costs will be required in the first year. The average printing and postage cost per permit will be \$2.64.
- An increase in state expenditures in FY13-14 exceeding \$23,760 (9,000 x \$2.64).
- Temporary workers will be required in the first year to handle the increased workload. Based on information provided by DOS, a minimum of 3,000 temporary worker-hours will be needed in FY13-14.
- Temporary workers are paid an average of \$11.42 per hour.
- An increase in state expenditures exceeding \$34,260 (\$11.42 x 3,000 hours) in FY13-14.
- A total increase in state expenditures in FY13-14 exceeding \$58,020 (\$23,760 + \$34,260).
- A minimum of 1,000 temporary worker-hours will be needed in each year, FY14-15 thru FY16-17; a recurring increase in state expenditures in each of the three years exceeding \$11,420 (\$11.42 x 1,000 hours)
- An increase in state expenditures for additional printing and postage of \$6,600 (2,500 x \$2.64) in FY14-15 thru FY16-17.
- A total increase in state expenditures in each year, FY14-15 thru FY16-17, estimated to exceed \$18,020 (\$11,420 + \$6,600).
- State expenditures associated with permit renewals will decrease beginning in FY17-18. The precise decrease in state expenditures associated with renewals cannot be determined, but is reasonably estimated to exceed \$27,000 in FY17-18 and \$8,000 in subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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